

## **ATTACHMENT FOR ANDORRA (Rev. November 2002)**

1. QI is subject to the following laws and regulations of Andorra governing the requirements of QI to obtain documentation confirming the identity of QI's account holders.

- (i) Law on International Criminal Co-operation and the Fight against the laundering of Money and Securities deriving from International Delinquency, of December 29, 2000.
- (ii) Agreement relating to the obligation for diligence by banking and savings entities in Andorra, of April 9, 1990, subscribed by all members belonging to the AGRUPACIÓ DE BANCS ANDORRANS (Andorran Banking Association).
- (iii) Operations guide and form to be used by all employees, issued by the Andorran Banking Association as a development of the ABA Agreement.

2. QI represents that the laws identified above are enforced by the following enforcement bodies and QI shall provide the Internal Revenue Service with an English translation of any reports or other documentation issued by these enforcement bodies that are relevant to QI's functions as a qualified intermediary.

- (i) Comissió Superior de Finances (The High Commission of Finance)
- (ii) Institut Nacional de Finances (Andorran National Institute of Finance).
- (iii) Ministeri Fiscal (Attorney General's office) - in cases of criminal offences. Laundering Prevention Unit.
- (iv) AGRUPACIÓ DE BANCS ANDORRANS (Andorran Banking Association - ABA).

3. QI represents that the following penalties apply to the failure to obtain, maintain, and evaluate documentation obtained under the laws and regulations identified in Item 1 above.

- (i) The following are deemed to be serious infringements sanctioned with a ban on the power to carry out certain types of financial operations and/or by the temporary suspension of managers for one to six months; and a fine of between six thousand and one Euros and sixty thousand Euros:
  - (a) Failure to check the identity of clients or failure to request the documents required under the provisions of the Law on International Criminal Co-operation and the Fight against the laundering of Money and Securities;
  - (b) Insufficient verification of the real beneficiary of the operation that is to be executed;
  - (c) Failure to retain documents for a ten-year period;
  - (d) Failure to have adequate and sufficient internal control and communication procedures in place in order to prevent and impede laundering operations, and not carrying out a specific audit to verify due diligence in the application of the provisions against money laundering.
  - (e) Repeated commitment of less serious infringements in the same year.

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(ii) Any infringement not covered in the previous paragraphs with respect to obtaining, maintaining, and evaluating documentation obtained under the laws and regulations identified in Item 1 above, are deemed to be less serious infringements sanctioned by means of a written warning and a fine of between six hundred Euros and six thousand Euros.

In addition, if any of the above serious infringements is repeated in the same year, a penalty consisting of the temporary suspension of managers for up to three years, or even the definitive suspension of managers, and a fine of between sixty thousand and one Euros and six hundred thousand Euros, may be imposed.

Furthermore, criminal proceedings may be commenced which can result in a prison sentence of up to ten years and a fine of 80 million pesetas.

4. QI shall use the following specific documentary evidence (and any specific documentation added by an amendment to this Item 4 as agreed to by the Internal Revenue Service) to comply with Section 5 of this Agreement, provided that the specific documentary evidence satisfies the requirements of the laws and regulations identified in Item 1 above. In the case of a foreign person, QI may, instead, use a Form W-8. Either QI or a banking or securities association in Andorra may request an amendment to this item 4.

(i) For natural persons:

(a) National Identity Card or passport

(ii) For legal entities:

(a) Certificate of inscription in the Companies Register

(b) Articles of Incorporation

(c) A copy of the trust deed and any subsidiary deed evidencing the appointment and powers of trustees, or copies of extracts from the deeds, or

(d) Other organizational document.

5. QI shall follow the procedures set forth below (and also any procedures added by an amendment to this item 5 as agreed to by the IRS) to confirm the identity of account holders that do not open accounts in person or who provide new documentation for existing accounts other than in person. In the case of a foreign person, QI may, instead, use a Form W-8 in accordance with section 5 of this Agreement. Either QI, or a banking or securities association in Andorra, may request an amendment to this item 5.

(i) QI shall not open an account by any means other than by establishing in person the identity of a customer through the account holder's own identity documents, except as permitted in (ii), (iii) and (iv) below.

(ii) QI may obtain by mail or otherwise a copy that is an exact reproduction of the specific documentary evidence listed in item 4 above from another person that is subject to know-your-customer rules that have been approved by the

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IRS for purposes of qualified intermediary agreements, provided that the laws and regulations listed in item 1 permit QI to rely on the other person to identify the account holder.

(iii) QI may obtain a photocopy of the specific documentary evidence listed in item 4 by mail or otherwise remotely from the account holder or a person acting on behalf of the account holder, provided that the photocopy has been certified as a true and correct copy by a person whose authority to make such certification appears on the photocopy, and provided that the laws and regulations listed in item 1 permit QI to rely on the certified photocopy to identify the account holder.

(iv) (a) QI may obtain by mail or otherwise a copy that is an exact reproduction of the specific documentary evidence listed in Item 4 from an affiliate of QI or a correspondent bank of QI, provided that the affiliate or correspondent bank has established in person the identity of the account holder and the laws and regulations listed in Item 1 permit QI to rely on documentation provided by that affiliate or correspondent bank to identify the account holder.

(b) For accounts opened prior to January 1, 2001, if QI was not required under its know-your-customer rules to maintain originals or copies of documentation, QI may rely on its account information if it has complied with all other aspects of its know-your-customer rules regarding the establishment of an account holder's identity, it has a record that the documentation required under the know-your-customer rules was actually examined by an employee of QI, or an employee of an affiliate of QI or a correspondent bank of QI, in accordance with the know-your-customer rules, and it has no information in its possession that would require QI to treat the documentation as invalid under the rules of section 5.10(B) of this Agreement.